



CHUTTER  
UNDERWRITING  
SERVICES EST 1996

**COMMERCIAL INSURANCE POLICY**

PURPOSE OF DOCUMENT New Policy

**Policy No.**

**Effective Date: «POLICYNUMBER»**

In consideration of the premium specified, the Insurer agrees to indemnify the Insured in accordance with these Declarations and the attached forms.

**DECLARATIONS**

Named Insured

Mailing Address

Policy Period (MM/DD/YY)  
(12:01 a.m. standard time at the Postal Address of the Insured)

From: To:

Insurer

Northbridge General Insurance Corporation, as arranged by Chutter Underwriting Services

Insurance Broker

Description of Business Operations

Owner of Residential Strata Unit

Total Policy Premium

\$

Minimum Retained Premium

\$

In witness whereof, this document has been signed, as authorized by the Insurer/Underwriters, by Chutter Underwriting Services.

Countersigned

Authorized Representative

**THIS POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE**



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**SCHEDULE OF INSURANCE**

INSURANCE IS PROVIDED FOR ONLY THOSE COVERAGES FOR WHICH RIDERS ARE INDICATED AND SPECIFIC LIMITS OR AMOUNTS OF INSURANCE ARE STATED BELOW.

**SECTION 1 – SEWER-BACKUP AND WATER DAMAGE EXCESS COVERAGE**

**Location #1**

**Occupancy by Insured: RESIDENTIAL STRATA UNIT**

**Coverage**

This policy will cover that portion of any insured water damage loss that is payable under the Condominium Corporations insurance policy that is excluded under the deductible clause in the "Condominium Corporation" insurance policy and for which the Named Insured is responsible.

**Limits:**

**\$X** Excess of **\$X** limits covered in the Named Insured's Condominium Unit Owners Insurance.

The maximum amount of insurance payable during any one policy period shall not exceed the Excess limit of insurance shown above.

**Exclusions**

- I. This policy shall not apply to any losses occurring from "Sewer-Backup" where the cause of the "Sewer-Backup" was caused by a "Flood" emanating outside of the Named Insured's "Unit".
- II. This policy shall not apply to "Flood".
- III. This policy shall not apply to any losses that are not covered under the Named Insured's Condominium Unit Owners insurance policy or if the Named Insured does not have Condominium Unit Owners insurance.

**Definitions**

- A) "Condominium corporation" means a corporation constituted under provincial or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia and to a syndicate in Quebec..
- B) "Flood" means the breaking out or overflow of any natural or artificial body of water and includes "surface water", waves, tides, tidal waves and tsunamis.
- C) "Sewer-Backup" means loss or damage caused directly by the backing up of sewers, sumps, septic tanks or drains.
- D) "Surface water" means water or natural precipitation temporarily diffused over the surface of the ground.
- E) "Unit" means the unit as defined in the declaration, description or bylaws of the "Condominium Corporation" or provincial or territorial legislation relating to condominiums or divided co-ownerships. It refers to a strata lot in British Columbia and to a private portion in Quebec.

**Condition**

It is a condition of this policy that the Named Insured must have valid Condominium Unit Owners insurance which has responded to the Condominium Corporations water damage loss. Failure to do so renders coverage afforded under this policy null and void.

**APPLICABLE TO ALL COVERAGES OF THIS POLICY:**

- R1 (12/09) Additional Agreements and Conditions**
- R1a (8/13) Statutory Conditions (Applicable to Alberta and British Columbia only)**
- R7 (3/02) Short Rate Cancellation Table**
- GPE (9/18) General Policy Exclusions**



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**CANCELLATION REQUEST**

In consideration of a refund of \$\_\_\_\_\_ I / we hereby request the cancellation of policy number X and any renewal thereof, as from the \_\_\_\_\_ day of \_\_\_\_\_, (month, year) and I / we hereby release the insurer from all liability under the said policy including renewal thereof, as from the aforementioned date of cancellation.

Dated at: \_\_\_\_\_

This \_\_\_\_\_ day of \_\_\_\_\_ (month, year).

\_\_\_\_\_  
Insured

\_\_\_\_\_  
Loss Payee

Please State Reason for Cancellation

# Additional Agreements and Conditions

R1

**A. STANDARD MORTGAGE CLAUSE (approved by the Insurance Bureau of Canada) - IT IS HEREBY PROVIDED AND AGREED THAT**

1. BREACH OF CONDITIONS BY MORTGAGOR, OWNER OR OCCUPANT - This insurance and every documented renewal thereof--AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN--is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk;  
PROVIDED ALWAYS that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE; and that every increase of hazard (not permitted by the Policy) shall be paid for by the Mortgagee--on reasonable demand--from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.
2. RIGHT OF SUBROGATION - Whenever the Insurer pays the Mortgagee any loss award under this Policy and claims that --as to the Mortgagor or Owner--no liability therefor existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.
3. OTHER INSURANCE - If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee--at law or in equity--then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.
4. WHO MAY GIVE PROOF OF LOSS - In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the Policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.
5. TERMINATION - The term of this mortgage clause coincides with the term of the Policy;  
PROVIDED ALWAYS that the Insurer reserves the right to cancel the Policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the Policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.
6. FORECLOSURE - Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these shall supersede any policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this policy is made payable to the Mortgagee.

**B. APPLICATION OF DEDUCTIBLE**

Should one occurrence give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

**C. COMMERCIAL PROPERTY POLICY CONDITIONS (Applicable in all jurisdictions except the Province of Québec)**

1. MISREPRESENTATION - If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.
2. PROPERTY OF OTHERS - Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.
3. CHANGE OF INTEREST - The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.
4. MATERIAL CHANGE - Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.
5. TERMINATION
  - i) This contract may be terminated
    - (a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered
    - (b) by the Insured at any time on request.
  - ii) Where this contract is terminated by the Insurer,

- (a) the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but, in no event, shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified, and
  - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
  - iii) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
  - iv) The refund may be made by money, postal or express company money order or cheque payable at par.
  - v) The fifteen days mentioned in clause (a) of subcondition i) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.
- 6. REQUIREMENTS AFTER LOSS**
- i) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11
    - (a) forthwith give notice thereof in writing to the Insurer
    - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
      - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed
      - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes
      - (iii) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured
      - (iv) showing the amount of other insurances and the names of other Insurers
      - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property
      - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract
      - (vii) showing the place where the property insured was at the time of loss
    - (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value
    - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
  - ii) The evidence furnished under clauses (c) and (d) of sub-paragraph i) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.
- 7. FRAUD** - Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.
- 8. WHO MAY GIVE NOTICE AND PROOF** - Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.
- 9. SALVAGE**
- i) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
  - ii) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph i) of this condition according to the respective interests of the parties.
- 10. ENTRY, CONTROL, ABANDONMENT** - After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.
- 11. APPRAISAL** - In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.
- 12. WHEN LOSS PAYABLE** - The loss is payable within sixty (60) days after completion of the proof of loss, unless the contract provides for a shorter period.
- 13. REPLACEMENT**

- i) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty (30) days after receipt of the proofs of loss.
- ii) In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five (45) days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

14. ACTION - Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year\* next after the loss or damage occurs.

\* two years in Province of Manitoba and Yukon Territory.

Saskatchewan Statutory Condition 14 is repealed. See The Limitations Act, S.S. 2004, c.L-16.1

15. NOTICE - Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Province. Written notice may be given to the Insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

16. CONTRIBUTION - If on the happening of any loss or damage to property in consequence of which a claim is or may be made under this policy there is in force more than one contract covering the same interest, the liability of the Insurer hereunder shall be limited to its rateable proportion of such claim.

### D. ADDITIONAL CONDITIONS (Applicable in all jurisdictions except the Province of Québec)

1. NOTICE TO AUTHORITIES - Where the loss is due to malicious acts, burglary, robbery, theft, or attempt thereof, or is suspected to be so due, the Insured shall give immediate notice thereof to the police or other authorities having jurisdiction.
2. NO BENEFIT TO BAILEE - It is warranted by the Insured that this insurance shall in no wise enure directly or indirectly to the benefit of any carrier or other bailee.
3. PAIR AND SET - In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.
4. PARTS - In the case of loss of or damage to any part of the insured property whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.
5. SUE AND LABOUR - It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.
6. BASIS OF SETTLEMENT - Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.
7. SUBROGATION - The Insurer, upon making any payment or assuming liability therefor under this Policy, shall be subrogated to all rights of recovery of the Insured against any person, and may bring action in the name of the Insured to enforce such rights. Where the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportions in which the loss or damage has been borne by them respectively.

### E. GENERAL CONDITIONS (Applicable in the Province of Québec)

This policy is subject to the Civil Code of the Province of Québec

Reference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.

For all coverages except where inapplicable.

#### 1. STATEMENTS

##### 1.1 Representation of risk (article 2408)

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

##### 1.2 Material change in risk (articles 2466 and 2467)

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the policy ceases to be in force.

##### 1.3 Misrepresentations or concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the client or of the Insured is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

1.4 Warranties (Article 2412)

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

2. GENERAL PROVISIONS

2.1 Insurable interest (Articles 2481 and 2484)

(Applicable only to property insurance)

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest is null.

2.2 Changes (Article 2405)

The terms of this policy shall not be waived or changed except by endorsement.

2.3 Assignment (Articles 2475 and 2476)

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-Insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

2.4 Books and records

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

2.5 Inspection

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, inform the Insured of the conditions found and recommend changes. Any inspections, surveys, findings or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.

2.6 Currency

All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.

3. LOSSES

3.1 Notice of loss (Article 2470)

The Insured shall notify the Insurer of any loss which may give rise to an indemnity, as soon as he becomes aware of it. Any interested person may give such notice.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

3.2 Information to be provided (Article 2471)

The Insured shall inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the damage, the location of the insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the Insured is unable to fulfil such obligation, he is entitled to a reasonable time in which to do so. If the Insured fails to fulfil his obligation, any interested person may do so on his behalf.

In addition, the Insured shall forthwith send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim.

3.3 False representation (Article 2472)

Any deceitful representation entails the loss of the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both movable and immovable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

3.4 Intentional Fault (Article 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

3.5 Notice to police (applicable to property insurance only)

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

- 3.6 Safeguarding and examination of property (Article 2495)  
(applicable to property insurance only)  
At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.  
The Insured may not abandon the damaged property if there is no agreement to that effect. The Insured shall facilitate the salvage and inspection of the insured property by the Insurer.  
He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.
- 3.7 Admission of liability and cooperation  
The Insured shall cooperate with the Insurer in the processing of all claims  
(The following two paragraphs are applicable to liability insurance only: article 2504)  
No transaction made without the consent of the Insurer may be set up against him.  
The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own risk.
- 3.8 Right of action (Article 2502)  
(applicable to liability insurance only)  
The Insurer may set up against the injured third person any grounds he could have invoked against the Insured at the time of the loss, but not grounds pertaining to facts that occurred after the loss; the Insurer has a right of action against the Insured in respect of facts that occurred after the loss.
4. COMPENSATION AND SETTLEMENT
- 4.1 Basis of settlement (Articles 2490, 2491, 2493)  
(applicable to property insurance only)  
Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of loss as normally determined.  
In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.  
If the amount of insurance is less than the value of the property the Insurer is released by paying the amount of the insurance in the event of total loss or a proportional indemnity in the event of partial loss.
- 4.2 Pair and set (applicable to property insurance only)  
In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.
- 4.3 Parts (applicable to property insurance only)  
In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.
- 4.4 Replacement (Article 2494)  
(applicable to property insurance only)  
Subject to the rights of preferred and hypothecary creditors, the Insurer reserves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.
- 4.5 Time of payment (Articles 1591, 2469 and 2473)  
The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at his request, all relevant information and vouchers, provided the Insured shall have complied with all the terms of the contract.  
Any outstanding premium may be deducted from the indemnity payable.
- 4.6 Property of others (applicable to property insurance only)  
Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.
- 4.7 Waiver  
Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of the policy by any act relating to arbitration or to the completion or delivery of proof of loss, or to the investigation or adjustment of the claim.
- 4.8 Limitation of actions (Article 2925)  
Every action or proceeding against the Insurer under this policy shall be commenced within three years from the date the right of action has arisen.
- 4.9 Subrogation (Article 2474)  
Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.



## 5. OTHER INSURANCE

### 5.1 Property insurance (Article 2496)

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the insurer or insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except in respect of specific insurance, which constitutes primary insurance.

### 5.2 Liability insurance

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

– Contribution by equal share:

If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

– Contribution by limits:

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

## 6. CANCELLATION (Articles 2477 and 2479)

This policy may be cancelled at any time:

- (a) By mere written notice from each of the Named Insureds. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.
- (b) By the Insurer giving written notice to each Named Insureds. Termination takes effect fifteen days following receipt of such notice by the Insured at his last known address and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph (a) or (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Condition, the words "premium actually paid" mean the premium actually paid by the Insured to the Insurer or its representative but do not include any premium or part thereof paid to the Insurer by a representative unless actually paid to the representative by the Insured.

## 7. NOTICE

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

It is incumbent upon the sender to prove that such notice was received.

# Statutory Conditions (Applicable to Alberta and British Columbia only)

R1a

## Misrepresentation

1. If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

## Property of others

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless
  - (a) otherwise specifically stated in the contract, or
  - (b) the interest of the insured in that property is stated in the contract.

## Change of interest

3. The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

## Material change in risk

4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
  - (a) material to the risk, and
  - (b) within the control and knowledge of the insured.(2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
  - (a) terminate the contract in accordance with Statutory Condition 5, or
  - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.(4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

## Termination of insurance

5. (1) The contract may be terminated
  - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
  - (b) by the insured at any time on request.(2) If the contract is terminated by the insurer,
  - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
  - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.(3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.(4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

## Requirements after loss

6. (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
  - (a) immediately give notice in writing to the insurer,
  - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
    - (i) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
    - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
    - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
    - (iv) stating the amount of other insurances and the names of other insurers,

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- (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
  - (vi) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
  - (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
- (d) if required by the insurer and if practicable,
- (i) produce books of account and inventory lists,
  - (ii) furnish invoices and other vouchers verified by statutory declaration, and
  - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

## Fraud

7. Any fraud or willfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

## Who may give notice and proof

8. Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made
- (a) by the agent of the insured, if
    - (i) the insured is absent or unable to give the notice or make the proof, and
    - (ii) the absence or inability is satisfactorily accounted for, or
  - (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

## Salvage

9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

## Entry, control, abandonment

10. After loss or damage to insured property, the insurer has
- (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
  - (b) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
    - (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
    - (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

## In case of disagreement

11. (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
- (a) a specific demand is made for it in writing, and
  - (b) the proof of loss has been delivered to the insurer.

## When loss payable

12. Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

## Repair or replacement

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13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

### **Notice**

14. (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

# Short Rate Cancellation Table

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Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time as indicated in the table below. In no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

Days in force	% of premium returned	Days in force	% of premium returned	Days in force	% of premium returned	Days in force	% of premium returned	Days in force	% of premium returned	Days in force	% of premium returned
1	0.95	64	0.72	127	0.55	190	0.38	253	0.24	316	0.10
2	0.94	65	0.72	128	0.54	191	0.38	254	0.24	317	0.10
3	0.93	66	0.71	129	0.54	192	0.37	255	0.24	318	0.10
4	0.93	67	0.71	130	0.54	193	0.37	256	0.23	319	0.10
5	0.92	68	0.71	131	0.54	194	0.37	257	0.23	320	0.09
6	0.92	69	0.71	132	0.53	195	0.37	258	0.23	321	0.09
7	0.91	70	0.70	133	0.53	196	0.37	259	0.23	322	0.09
8	0.91	71	0.70	134	0.53	197	0.36	260	0.23	323	0.09
9	0.90	72	0.70	135	0.53	198	0.36	261	0.22	324	0.08
10	0.90	73	0.70	136	0.52	199	0.36	262	0.22	325	0.08
11	0.89	74	0.69	137	0.52	200	0.36	263	0.22	326	0.08
12	0.89	75	0.69	138	0.52	201	0.35	264	0.22	327	0.08
13	0.88	76	0.69	139	0.51	202	0.35	265	0.21	328	0.08
14	0.88	77	0.68	140	0.51	203	0.35	266	0.21	329	0.07
15	0.87	78	0.68	141	0.51	204	0.35	267	0.21	330	0.07
16	0.87	79	0.68	142	0.51	205	0.35	268	0.21	331	0.07
17	0.86	80	0.68	143	0.50	206	0.34	269	0.21	332	0.07
18	0.86	81	0.67	144	0.50	207	0.34	270	0.20	333	0.06
19	0.85	82	0.67	145	0.50	208	0.34	271	0.20	334	0.06
20	0.85	83	0.67	146	0.50	209	0.34	272	0.20	335	0.06
21	0.84	84	0.66	147	0.49	210	0.33	273	0.20	336	0.06
22	0.84	85	0.66	148	0.49	211	0.33	274	0.19	337	0.06
23	0.83	86	0.66	149	0.49	212	0.33	275	0.19	338	0.05
24	0.83	87	0.66	150	0.48	213	0.33	276	0.19	339	0.05
25	0.83	88	0.65	151	0.48	214	0.33	277	0.19	340	0.05
26	0.82	89	0.65	152	0.48	215	0.32	278	0.19	341	0.05
27	0.82	90	0.65	153	0.48	216	0.32	279	0.18	342	0.05
28	0.82	91	0.65	154	0.47	217	0.32	280	0.18	343	0.04
29	0.82	92	0.64	155	0.47	218	0.32	281	0.18	344	0.04
30	0.81	93	0.64	156	0.47	219	0.31	282	0.18	345	0.04
31	0.81	94	0.64	157	0.46	220	0.31	283	0.17	346	0.04
32	0.81	95	0.63	158	0.46	221	0.31	284	0.17	347	0.03
33	0.80	96	0.63	159	0.46	222	0.31	285	0.17	348	0.03
34	0.80	97	0.63	160	0.46	223	0.31	286	0.17	349	0.03
35	0.80	98	0.63	161	0.45	224	0.30	287	0.17	350	0.03
36	0.80	99	0.62	162	0.45	225	0.30	288	0.16	351	0.03
37	0.79	100	0.62	163	0.45	226	0.30	289	0.16	352	0.02
38	0.79	101	0.62	164	0.45	227	0.30	290	0.16	353	0.02
39	0.79	102	0.62	165	0.44	228	0.30	291	0.16	354	0.02
40	0.79	103	0.61	166	0.44	229	0.29	292	0.15	355	0.02
41	0.78	104	0.61	167	0.44	230	0.29	293	0.15	356	0.01
42	0.78	105	0.61	168	0.43	231	0.29	294	0.15	357	0.01
43	0.78	106	0.60	169	0.43	232	0.29	295	0.15	358	0.01
44	0.77	107	0.60	170	0.43	233	0.28	296	0.15	359	0.01
45	0.77	108	0.60	171	0.43	234	0.28	297	0.14	360	0.01
46	0.77	109	0.60	172	0.42	235	0.28	298	0.14	361	0.00
47	0.77	110	0.59	173	0.42	236	0.28	299	0.14	362	0.00
48	0.76	111	0.59	174	0.42	237	0.28	300	0.14	363	0.00
49	0.76	112	0.59	175	0.42	238	0.27	301	0.14	364	0.00
50	0.76	113	0.59	176	0.41	239	0.27	302	0.13	365	0.00
51	0.76	114	0.58	177	0.41	240	0.27	303	0.13		
52	0.75	115	0.58	178	0.41	241	0.27	304	0.13		
53	0.75	116	0.58	179	0.40	242	0.26	305	0.13		
54	0.75	117	0.57	180	0.40	243	0.26	306	0.12		
55	0.74	118	0.57	181	0.40	244	0.26	307	0.12		
56	0.74	119	0.57	182	0.40	245	0.26	308	0.12		
57	0.74	120	0.57	183	0.39	246	0.26	309	0.12		
58	0.74	121	0.56	184	0.39	247	0.25	310	0.12		
59	0.73	122	0.56	185	0.39	248	0.25	311	0.11		
60	0.73	123	0.56	186	0.39	249	0.25	312	0.11		
61	0.73	124	0.56	187	0.39	250	0.25	313	0.11		
62	0.73	125	0.55	188	0.38	251	0.24	314	0.11		
63	0.72	126	0.55	189	0.38	252	0.24	315	0.10		

The following exclusions apply to all coverages of this policy:

## 1. WAR EXCLUSION

This Policy does not insure against any loss or damage caused directly or indirectly in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

## 2. TERRORISM EXCLUSION

This Policy does not insure loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

## 3. NUCLEAR EXCLUSION

This Policy does not insure against any loss or damage caused directly or indirectly by:

- (a) any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas; or
- (b) contamination by radioactive material. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

## 4. POLLUTION EXCLUSION

This Policy does not insure against:

- (a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up". This exclusion does not apply:
  - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is directly caused by a peril not otherwise excluded in this form; or
  - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- (d) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

## 5. FUNGI AND SPORES EXCLUSION

This Policy does not insure:

- (a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores". This exclusion does not apply:
  - (i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this Policy; or
  - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this Policy;
- (b) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi" or "spores".

## DEFINITIONS

1. "Clean Up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
2. "Fungi" includes but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.
3. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
4. "Spores" includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".
5. "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government or instilling fear in the public or a section of the public.